

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 299

98TH GENERAL ASSEMBLY

1043H.02P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 144.021 and 144.450, RSMo, and to enact in lieu thereof two new sections relating to sales tax.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 144.021 and 144.450, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 144.021 and 144.450, to read as follows:

144.021. **1.** The purpose and intent of sections 144.010 to 144.510 is to impose a tax
2 upon the privilege of engaging in the business, in this state, of selling tangible personal property
3 and those services listed in section 144.020 and for the privilege of titling new and used motor
4 vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways or
5 waters of this state which are required to be registered under the laws of the state of Missouri.
6 Except as otherwise provided, the primary tax burden is placed upon the seller making the
7 taxable sales of property or service and is levied at the rate provided for in section 144.020.
8 Excluding subdivision (9) of subsection 1 of section 144.020 and sections 144.070, 144.440 and
9 144.450, the extent to which a seller is required to collect the tax from the purchaser of the
10 taxable property or service is governed by section 144.285 and in no way affects sections
11 144.080 and 144.100, which require all sellers to report to the director of revenue their "gross
12 receipts", defined herein to mean the aggregate amount of the sales price of all sales at retail, and
13 remit tax at four percent of their gross receipts.

14 **2. If the taxability of any item of tangible personal property or service determined**
15 **to be taxable under sections 144.010 to 144.510, 144.610, 144.615, and 144.617 is modified**
16 **by a decision or order of:**

17 **(1) The director of revenue;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **(2) The administrative hearing commission; or**
19 **(3) A court of competent jurisdiction;**
20 **and a reasonable person would not have expected the decision or order based solely on**
21 **prior law or regulation. Such modification shall not take effect until the department of**
22 **revenue has promulgated a rule effectuating such decision or order and all affected sellers**
23 **have been notified by the department at least ninety days before such modification shall**
24 **take effect for such sellers. Failure of the department of revenue to notify a seller shall**
25 **relieve such seller of liability for taxes that would be due under the modification until the**
26 **seller is notified. The waiver of liability for taxes under this subsection shall only apply to**
27 **sellers actively selling the type of tangible personal property or service affected by the**
28 **decision or order on the date the decision or order is made or handed down and shall not**
29 **apply to any seller that has previously remitted tax on the tangible personal property or**
30 **taxable services subject to the decision or order or to any seller that had prior notice that**
31 **the seller must collect and remit the tax.**

32 **3. The notification required by subsection 2 of this section shall be delivered by**
33 **electronic mail to all businesses that sign up for such email or other secure electronic**
34 **means of direct communications. The department of revenue shall update its website with**
35 **information regarding modifications in sales tax law and such updates shall constitute a**
36 **notification required by subsection 2 of this section.**

144.450. In order to avoid double taxation under the provisions of sections 144.010 to
2 144.510, any person who purchases a motor vehicle, trailer, manufactured home, boat, or
3 outboard motor in any other state and seeks to register or obtain a certificate of title for it in this
4 state shall be credited with the amount of any sales tax or use tax shown to have been previously
5 paid by him on the purchase price of such motor vehicle, trailer, boat, or outboard motor in such
6 other state. The tax imposed by subdivision (9) of subsection 1 of section 144.020 shall not
7 apply:

8 (1) To motor vehicles, trailers, boats, or outboard motors brought into this state by a
9 person moving any such vehicle, trailer, boat, or outboard motor into Missouri from another state
10 who shall have registered and in good faith regularly operated any such motor vehicle, trailer,
11 boat, or outboard motor in such other state at least ninety days prior to the time it is registered
12 in this state;

13 (2) To motor vehicles, trailers, boats, or outboard motors acquired by registered dealers
14 for resale;

15 (3) To motor vehicles, trailers, boats, or outboard motors purchased, owned or used by
16 any religious, charitable or eleemosynary institution for use in the conduct of regular religious,
17 charitable or eleemosynary functions and activities;

18 (4) To motor vehicles owned and used by religious organizations in transferring pupils
19 to and from schools supported by such organization;

20 (5) Where the motor vehicle, trailer, boat, or outboard motor has been acquired by the
21 applicant for a certificate of title therefor by gift or under a will or by inheritance, and the tax
22 hereby imposed has been paid by the donor or decedent;

23 (6) To any motor vehicle, trailer, boat, or outboard motor owned or used by the state of
24 Missouri or any other political subdivision thereof, or by an educational institution supported by
25 public funds; [or]

26 (7) To farm tractors;

27 **(8) To motor vehicles, trailers, boats, or outboard motors owned and used by not-**
28 **for-profit civic, social, service, or fraternal organizations in their civic or charitable**
29 **functions and activities;**

30 **(9) To motor vehicles, trailers, boats, or outboard motors owned and used by any**
31 **private, not-for-profit elementary school, secondary school, or institution of higher**
32 **education in the conduct of their educational functions and activities;**

33 **(10) To motor vehicles, trailers, boats, or outboard motors owned and used by any**
34 **elementary school, secondary school, or institution of higher education in the conduct of**
35 **their educational functions and activities that are supported by public funds; or**

36 **(11) To any transfer of motor vehicles, trailers, boats, or outboard motors that is the**
37 **same type of transfer as set forth in section 144.617.**

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